

STATE OF IOWA  
DEPARTMENT OF COMMERCE  
UTILITIES BOARD

IN RE:  DISAGGREGATION OF FEDERAL HIGH- COST SUPPORT FOR RURAL CARRIERS	DOCKET NO. USP-01-2
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**PROCEDURAL ORDER AND NOTICE OF HEARING**

(Issued August 13, 2002)

On May 23, 2001, the Federal Communications Commission (FCC) issued its "Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking in CC Docket No. 96-45, and Report and Order in CC Docket No. 00-256" (the FCC Order). Pursuant to the FCC Order, the Utilities Board (Board) issued two orders on September 7, 2001, and October 16, 2001, establishing procedures rural carriers had to follow to comply with the requirements of the FCC Order. Essentially, the FCC Order and the Board orders required each rural carrier to make an election regarding disaggregation of its universal service funding, and file notice of the election with the Board. If a carrier chose to disaggregate its universal service funding, it had to file a disaggregation plan with the Board.

On March 12, 2002, Heartland Telecommunications of Iowa, d/b/a HickoryTech (HickoryTech), filed a disaggregation plan with the Board. HickoryTech opted for Path Three disaggregation. On April 17, 2002, Hawarden Municipal

Communications Utility, d/b/a HITECH (HITECH), filed an objection to HickoryTech's disaggregation plan, and requested a hearing. On August 9, 2002, the Board issued an order granting the request for hearing and assigning the case to the undersigned administrative law judge. In its order, the Board stated this matter should be set for hearing "to determine whether HickoryTech's plan is reasonably related to the cost of providing service in each zone for each category of support and whether the plan uses a reasonable, consistent, and supported benchmark to determine support amounts, consistent with the manner in which the total study area level of support is derived." The Board also stated in its order that the disaggregation plan filed by HickoryTech would continue in effect until further order.

**IT IS THEREFORE ORDERED:**

1. The following procedural schedule is established:
  - a. On or before Thursday, September 5, 2002, HickoryTech must file prepared direct testimony regarding its disaggregation plan, the issues discussed above, and any other issues related to the plan it chooses to raise;
  - b. On or before Thursday, September 26, 2002, HITEC must file prepared responsive testimony regarding the issues identified in this order, and any other issues related to the disaggregation plan it chooses to raise;
  - c. If the Consumer Advocate Division of the Department of Justice (Consumer Advocate) chooses to file prepared responsive testimony, it must do so by Thursday, September 26, 2002.
  - d. A public hearing for the presentation of evidence and the cross-examination of witnesses concerning the issues identified in this order will be

held at 10 a.m. on Tuesday, October 8, 2002, in the Board hearing room, 350 Maple Street, Des Moines, Iowa. The parties should come to the hearing room at 9:45 a.m. to mark exhibits. Each party must provide a copy of its prepared testimony to the court reporter. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Board at (515) 281-5256 in advance of the scheduled hearing date to request that appropriate arrangements be made.

2. Any party who wishes to file a pre-hearing brief may do so on or before the scheduled hearing date. If needed, a post-hearing briefing schedule will be established at the conclusion of the hearing.

3. In the absence of objection, all data requests and responses referred to in oral testimony or on cross-examination will become part of the evidentiary record of these proceedings. Pursuant to 199 IAC 7.2(6), the party making reference to the data request must file one original and three copies of the data request and response with the Executive Secretary of the Utilities Board at the earliest possible time.

**UTILITIES BOARD**

/s/ Amy L. Christensen

Amy L. Christensen

Administrative Law Judge

ATTEST:

/s/ Judi K. Cooper

Executive Secretary

Dated at Des Moines, Iowa, this 13<sup>th</sup> day of August, 2002.